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**ETS GROUP LIMITED**  
**易通訊集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8031)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement for which the directors (the “**Directors**”) of ETS Group Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

## **FINANCIAL HIGHLIGHTS**

The Group's revenue from continuing operations for the year ended 31 December 2024 was approximately HK\$80,726,000 representing an increase of approximately 4.7% as compared to that of approximately HK\$77,132,000 in 2023.

Profit attributable to owners of the Company for the year ended 31 December 2024 was approximately HK\$17,509,000 representing an increase of approximately 321% as compared to the loss attributable to owners of the Company for the year ended 31 December 2023 amounted approximately HK\$7,922,000.

Profit per share for the year ended 31 December 2024 was HK\$5.9 cents (2023: Loss per share: HK\$2.8 cents).

The board of Directors does not recommend a final dividend for the year ended 31 December 2024 (2023: Nil).

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
<b>Continuing Operations</b>			
<b>Revenue</b>	3	<b>80,726</b>	77,132
Other income		<b>480</b>	920
Other gains/(losses) – net		<b>13,457</b>	(2,151)
Employee benefits expenses		<b>(77,972)</b>	(65,488)
Depreciation and amortization		<b>(3,341)</b>	(2,098)
Other operating expenses		<b>(3,652)</b>	(6,459)
Share of loss of an associate		<b>(249)</b>	(249)
		<hr/>	<hr/>
<b>Operating profit</b>		<b>9,449</b>	1,607
Finance costs		<b>(185)</b>	(679)
		<hr/>	<hr/>
<b>Profit before tax</b>	4	<b>9,264</b>	928
Income tax expense	5	<b>(855)</b>	(131)
		<hr/>	<hr/>
<b>Profit for the year from continuing operations</b>		<b>8,409</b>	797
		<hr/>	<hr/>
<b>Discontinued operation</b>			
Profit/(loss) for the year from discontinued operation		<b>9,100</b>	(8,719)
		<hr/>	<hr/>
<b>Profit/(loss) and total comprehensive income/(expenses) for the year attributable to owners of the Company</b>		<b>17,509</b>	(7,922)
		<hr/>	<hr/>
Earnings/(loss) per share	6		
From continuing and discontinued operations			
– Basic and diluted ( <i>HK cents</i> )		<b>5.9</b>	(2.8)
		<hr/> <hr/>	<hr/> <hr/>
From continuing operations			
– Basic and diluted ( <i>HK cents</i> )		<b>2.8</b>	0.3
		<hr/> <hr/>	<hr/> <hr/>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		766	712
Right-of-use assets		2,599	535
Intangible assets		1,470	1,642
Interest in an associate		332	581
Financial assets at fair value through profit or loss		–	1,543
Other receivable	7	2,770	–
Deferred income tax assets		1	755
		<u>7,938</u>	<u>5,768</u>
<b>Current assets</b>			
Contract assets		3,438	5,749
Trade and other receivables	7	18,290	16,939
Tax recoverable		363	474
Cash and cash equivalents		49,523	26,587
		<u>71,614</u>	<u>49,749</u>
<b>Current liabilities</b>			
Contract liabilities		1,944	2,218
Other payables and accruals		14,480	9,787
Current income tax liabilities		18	83
Lease liabilities		2,343	274
		<u>18,785</u>	<u>12,362</u>
<b>Net current assets</b>		<u>52,829</u>	<u>37,387</u>
<b>Total assets less current liabilities</b>		<u>60,767</u>	<u>43,155</u>

	<i>Notes</i>	<b>2024</b> <b><i>HK\$'000</i></b>	2023 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Deferred income tax liabilities		<b>14</b>	8
Lease liabilities		<b>359</b>	262
		<u><b>373</b></u>	<u>270</u>
<b>Net assets</b>		<b><u>60,394</u></b>	<u>42,885</u>
<b>Equity attributable to the owners of the Company</b>			
Share capital	8	<b>2,956</b>	2,956
Reserves		<b>57,438</b>	39,929
<b>Total equity</b>		<b><u>60,394</u></b>	<u>42,885</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 1. GENERAL INFORMATION

ETS Group Limited (the “**Company**”) is an investment holding company. ETS Group Limited and its subsidiaries (collectively referred as to the “**Group**”) are principally engaged in providing comprehensive multi-media contact services, contact centre system, staff insourcing and financial services in Hong Kong.

The Company was incorporated in the Cayman Islands on 29 June 2011 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares have been listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) with effect from 9 January 2012.

As at 31 December 2024, the directors of the Company regard Million Top Enterprises Limited, a company incorporated in Hong Kong with limited liability, as the parent and ultimate holding company of the Company.

The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of the Company’s principal place of business in Hong Kong is 4th Floor, China Paint Building, 1163 Canton Road, Mongkok, Kowloon, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated. These consolidated financial statements have been approved for issued by the Board of Directors on 24 March 2025.

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standard (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Hong Kong Stock Exchange and by the Hong Kong Companies Ordinance.

#### 2.1.1 Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### 2.1.2 *New standard and amendments to existing standards not yet adopted*

Certain new standard and amendments to existing standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group:

<b>Standards</b>	<b>Subject</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	A date to be determined
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – dependent Electricity	1 January 2026

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### 3. **SEGMENT INFORMATION AND REVENUE**

The directors of the Company review the Group's internal financial reporting and other information and also obtain other relevant external information in order to assess performance and allocate resources, and operating segment is identified with reference to these.

On 27 December 2024, the Group disposed of Gear Credit Limited (“GCL”). Upon completion of the disposal, the Group's financial services operation was discontinued in the current year. The segment information report below does not include any amounts from the discontinued operation. In addition, the consolidated statement of profit or loss has been restated as if the operation discontinued during the current year has been discontinued at the beginning of the comparative period.

The reportable operating segments derive their revenue primarily from the following business units in Hong Kong:

#### **Continuing operation**

- (a) Outsourcing inbound contact services;
- (b) Outsourcing outbound contact services;
- (c) Staff insourcing services;

- (d) Contact service centre and service centre facilities management services; and
- (e) The “Others” segment which principally comprises sales of system and software, licence service fee income and system maintenance fee income.

### Discontinued operation

- (a) Financial services segment which principally comprises commission income from broker business, asset management services and credit finance.

The segment information provided to the board of directors for the reportable segments for the years ended 31 December 2024 and 2023 are as follows:

### For the year ended 31 December 2024

	Outsourcing inbound contact services <i>HK\$'000</i>	Staff insourcing services <i>HK\$'000</i>	Contact service centre and service centre facilities management services <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>16,174</u>	<u>52,638</u>	<u>5,204</u>	<u>6,710</u>	<u>80,726</u>
Segment results	<u>1,345</u>	<u>5,019</u>	<u>1,134</u>	<u>2,789</u>	<u>10,287</u>
Depreciation and amortization	<u>350</u>	<u>889</u>	<u>808</u>	<u>485</u>	<u>2,532</u>
<b>Total segment assets</b>	<u><b>2,718</b></u>	<u><b>9,711</b></u>	<u><b>1,731</b></u>	<u><b>1,307</b></u>	<u><b>15,467</b></u>
Total segment assets includes: Additions to non-current assets (other than financial instruments)	<u>84</u>	<u>213</u>	<u>193</u>	<u>116</u>	<u>606</u>
<b>Total segment liabilities</b>	<u><b>1,762</b></u>	<u><b>4,681</b></u>	<u><b>969</b></u>	<u><b>1,617</b></u>	<u><b>9,029</b></u>



For the year ended 31 December 2023 (restated)

	Outsourcing inbound contact services <i>HK\$'000</i>	Staff insourcing services <i>HK\$'000</i>	Contact service centre and service centre facilities management services <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>	
Segment revenue	14,479	49,574	9,385	3,694	77,132	
Segment results	1,133	4,437	2,427	1,395	9,392	
Depreciation and amortization	220	559	643	169	1,591	
	Continuing operations			Discontinued operation		
	Outsourcing inbound contact services <i>HK\$'000</i>	Staff insourcing services <i>HK\$'000</i>	Contact service centre and service centre facilities management services <i>HK\$'000</i>	Others <i>HK\$'000</i>	Financial services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Total segment assets	4,076	12,333	1,908	864	4,320	23,501
Total segment assets includes: Additions to non-current assets (other than financial instruments)	97	245	282	74	–	698
Total segment liabilities	1,665	4,596	488	1,408	–	8,157

There were no inter-segment sales during the years ended 31 December 2024 and 2023. The revenue from external parties reported to the directors of the Company is measured in a manner consistent with that in the consolidated statement of profit or loss and other comprehensive income.

A reconciliation of segment results to profit before tax is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
Segment results for reportable segments	10,287	9,392
<b>Unallocated:</b>		
Other income	480	920
Other gains/(losses) – net	13,457	(2,151)
Depreciation and amortization	(809)	(507)
Finance costs	(185)	(674)
Corporate and other unallocated expenses	(13,966)	(6,052)
<b>Profit before tax</b>	<b>9,264</b>	<b>928</b>

The amounts provided to the directors of the Company with respect to total assets are measured in a manner consistent with that of the consolidated financial statements. These assets are allocated based on the operations of the segment.

Reportable segments' assets are reconciled to total assets as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Segment assets for reportable segments	15,467	23,501
<b>Unallocated:</b>		
Property, plant and equipment	184	278
Right-of-use asset	624	128
Tax recoverable	363	474
Deferred income tax assets	1	755
Financial assets at FVTPL	–	1,543
Corporate and other unallocated assets	<u>62,913</u>	<u>28,838</u>
<b>Total assets per consolidated statement of financial position</b>	<b><u>79,552</u></b>	<b><u>55,517</u></b>

The amounts provided to the directors of the Company with respect to total liabilities are measured in a manner consistent with that of the consolidated financial statements. These liabilities are allocated based on the operations of the segment.

Reportable segments' liabilities are reconciled to total liabilities as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Segment liabilities for reportable segments	9,029	8,157
<b>Unallocated:</b>		
Deferred income tax liabilities	14	8
Current income tax liabilities	18	83
Lease liabilities	648	129
Corporate and other unallocated liabilities	<u>9,449</u>	<u>4,255</u>
<b>Total liabilities per consolidated statement of financial position</b>	<b><u>19,158</u></b>	<b><u>12,632</u></b>

Breakdown of the revenue from all services is as follows:

**Analysis of revenue by category**

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
Revenue from contracts with customers		
Service fee income from provision of telecommunication and related services	<b>21,378</b>	23,864
Licensing and sales of system and software	<b>4,498</b>	1,536
System maintenance income	<b>2,212</b>	2,158
Staff insourcing services and personnel services	<b>52,638</b>	49,574
	<b>80,726</b>	77,132

The Company is domiciled in the Cayman Islands with the Group's major operations located in Hong Kong. The result of its revenue from external customers in Hong Kong is approximately HK\$80,052,000 (2023: approximately HK\$76,389,000), and the total of revenue from external customers from other country is approximately HK\$674,000 (2023: approximately HK\$743,000).

The total of non-current assets other than other assets, financial instruments and deferred tax assets located in Hong Kong is approximately HK\$5,167,000 (2023: approximately HK\$3,470,000), and none of these non-current assets is located in other countries (2023: Nil).

**Information about major customers**

Revenue from major customers, each of whom contributed to 10% or more of the Group's total revenue, is set out below:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A <sup>1</sup>	<b>10,956</b>	N/A <sup>3</sup>
Customer B <sup>1,2</sup>	<b>8,376</b>	N/A <sup>3</sup>
Customer C <sup>1,2</sup>	N/A <sup>3</sup>	10,333
Customer D <sup>1,2</sup>	N/A <sup>3</sup>	8,759

<sup>1</sup> Revenue from staff insourcing services.

<sup>2</sup> Revenue from provision of telecommunication services.

<sup>3</sup> The corresponding revenue did not contribute to 10% or more of the total revenue of the Group.

#### 4. PROFIT BEFORE TAX

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
<b>Profit before tax from continuing operations is stated after charging:</b>		
<i>Depreciation and amortization</i>		
Depreciation of owned property, plant and equipment	484	458
Depreciation of right-of-use assets	1,953	274
Amortization of intangible assets	904	1,366
	<u>3,341</u>	<u>2,098</u>
Total depreciation and amortization	<u>3,341</u>	<u>2,098</u>
Auditors' remuneration	850	1,000
Reversal of impairment of financial assets and contract assets – net (included in other operating expenses)	(8,760)	(3,756)
Expenses relating to short-term leases	596	2,843
	<u>596</u>	<u>2,843</u>

#### 5. INCOME TAX EXPENSE

An analysis of the Group's income tax expenses from continuing operations is as follows:

Hong Kong Profits Tax has been provided at a rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in or derived from Hong Kong for the year.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
<b>Current tax:</b>		
Provision for the year	–	212
Underprovision in prior years	107	–
	<u>107</u>	<u>212</u>
<b>Total current tax</b>	<b>107</b>	<b>212</b>
<b>Deferred income tax</b>	<b>748</b>	<b>(81)</b>
	<u>748</u>	<u>(81)</u>
<b>Income tax expense</b>	<b>855</b>	<b>131</b>
	<u>855</u>	<u>131</u>

#### 6. EARNINGS/LOSS PER SHARE

The calculation of the basic earnings/loss per share attributable to owners of the Company is based on (i) the profit/loss attributable to owners of the Company for the year; and (ii) the weighted average number of 295,625,000 ordinary shares issued during the year (2023: 286,078,767 ordinary shares).

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares in issue during the years ended 31 December 2024 and 2023.

Basic and diluted earnings per share for the discontinued operations is HK3.1 cents per share (2023: HK3.1 cents loss per share) based on the profit for the year from the discontinued operations of approximately HK\$9,100,000 (2023: loss for the year from discontinued operation of approximately HK\$8,719,000) and the denominators detailed above for both basic and diluted earnings/loss per share.

## 7. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
Trade receivables		
Amounts receivables arising from multi-media contact services, contact centre system and advisory services	19,075	30,755
Loan and interests receivables	–	23,590
Less: loss allowance	<u>(10,721)</u>	<u>(38,682)</u>
Trade receivables – net	<u>8,354</u>	<u>15,663</u>
Other receivables, deposits and prepayments	12,709	1,277
Less: loss allowance	<u>(3)</u>	<u>(1)</u>
Other receivables, deposits and prepayments – net	<u>12,706</u>	<u>1,276</u>
Total trade and other receivables	<u><b>21,060</b></u>	<u><b>16,939</b></u>
Analyzed for reporting purposes as:		
Current assets	18,290	16,939
Non-current assets	<u>2,770</u>	<u>–</u>
	<u><b>21,060</b></u>	<u><b>16,939</b></u>

The average credit period on the Group's sales is 30 days (2023: 30 days). The aging analysis of the trade receivables based on invoice date is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
0–30 days	5,609	6,604
31–60 days	1,539	3,731
61–90 days	666	1,696
Over 90 days	<u>11,261</u>	<u>18,724</u>
	<u><b>19,075</b></u>	<u><b>30,755</b></u>

## 8. SHARE CAPITAL

	Number of shares		Share capital	
	2024	2023	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each				
<b>Authorised</b>				
At beginning of year and at end of year	<u>5,000,000,000</u>	<u>5,000,000,000</u>	<u>50,000</u>	<u>50,000</u>
<b>Issued and fully paid</b>				
At beginning of year	295,625,000	280,000,000	2,956	2,800
Issue of shares	<u>–</u>	<u>15,625,000</u>	<u>–</u>	<u>156</u>
At end of year	<u>295,625,000</u>	<u>295,625,000</u>	<u>2,956</u>	<u>2,956</u>

## 9. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2023 Interim – HK15 cents per share	–	44,344
2022 Final – HK1.5 cents per share	<u>–</u>	<u>4,200</u>
	<u>–</u>	<u>48,544</u>

No dividend was paid or proposed by the board of directors of the Company for the year ended 31 December 2024.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS ENVIRONMENT AND BUSINESS REVIEW**

The Group is continuously engaged in the business of providing comprehensive multi-media contact centre services and contact centre system solutions in Hong Kong. The principal activities of the Group include provisions of outsourcing inbound contact centre service, staff insourcing service, contact centre facilities management service, contact center system solutions to corporate clients in Hong Kong.

The Hong Kong economy experienced moderate growth in 2024, with real GDP increasing by approximately 2.5% during the year. While overall investment expenditure continued to expand, private consumption expenditure saw a slight decline. Although weak domestic demand and a sluggish property market throughout the year contributed to a slowdown in business activities and investments across various sectors, the Group recorded a slight increase in the annual revenue during the Reporting Period.

The local unemployment rate held steady at 3.1% by the end of the year, reflecting a resilient and active labor market throughout the period. Despite the Government's introduction of various talent admission schemes aimed at enriching Hong Kong's talent pool, the Group's talent acquisition efforts have not yet fully benefited from these initiatives due to the specific nature and cost requirements of the manpower we seek. The persistently tight labor market continued to exert upward pressure on hiring costs and staff wages, which inevitably impacted our profit margins. However, the Group achieved considerable growth in its staff insourcing service during the year, marking a positive development amid these challenges.

Despite facing challenges posed by the difficult business environment, the Group achieved a strong financial performance by unlocking the intrinsic value of its assets through the disposal of its investments in Hong Kong Virtual Asset Exchange Limited and the credit financing business. The Group's management believes that these strategic disposals will enable a more efficient allocation of resources, allowing us to focus on the development of our existing businesses and explore new investment opportunities. This approach underscores our commitment to optimizing resource utilization and driving sustainable growth.

### **DISPOSAL OF SUBSIDIARIES**

The licensed money lending sector in Hong Kong has undergone significant consolidation, with the number of licensed operators declining from a peak of 2,490 in 2021 to approximately 2,110 in 2024 a reduction of over 15% in just three years. This contraction reflects the increasingly challenging operating environment accompanied by heightened credit risks due to weakened business environment.

Given these structural headwinds alongside persistent economic uncertainty, intensified regulatory scrutiny, and fierce industry competition the Group made the strategic decision to divest its money lending business, Gear Credit Limited, on 27 December 2024. The disposal generated a gain of approximately HK\$3,644,000 and aligns with our long-term strategy to streamline operations and reallocate resources toward our core business segments.

## **OUTSOURCING INBOUND CONTACT SERVICE**

The Group provides multi-media inbound contact service which our clients outsource to us. The inbound contact services we provide include general enquiry hotlines, promotion hotlines, customer service hotlines, order hotlines, registration hotlines, emergency hotlines and helpdesk hotlines. Our inbound operation covers 24 hours a day and 7 days a week.

## **OUTSOURCING OUTBOUND CONTACT SERVICE**

The Group bases on the call lists provided by our clients to perform outsourcing outbound contact services including telemarketing services, customer retention services, cross-selling and customer satisfaction surveys. These services are carried out at calling hours specified by our clients.

## **STAFF INSOURCING SERVICE**

The Group assigns contact service staff that meets the required qualification and requirements to work at our clients' contact service centres or other designated premises to help our clients in the operation of their contact services or business. We provide our clients with staff to support their activities such as customer service, telemarketing, data entry, helpdesk assistance and other backend projects.

## **CONTACT SERVICE CENTRE AND SERVICE CENTRE FACILITIES MANAGEMENT SERVICE**

The contact service centre and service centre facilities management service is comprised of four types of service including (a) leasing of our contact centre facilities in form of workstation, (b) IVRS hosting service, (c) contact centre system hosting solution and (d) service centre facility management.

## **FINANCIAL SERVICES**

The financial services related to securities include securities brokerage, margin lending and consultancy services related to securities.

The financial services related to asset management include provision of asset management, fund management and consultancy services related to asset management.

The financial services related to credit finance include commercial and personal lending.

On 27 December 2024, the Group discontinued its financial services operation at the time of disposal of its subsidiary, Gear Credit Limited.



## **OTHERS**

“Others” segment which principally comprises system maintenance income, licensing income and sales of system and software income.

## **PROSPECT**

Geopolitical tensions, volatile trade policies, and ongoing supply chain disruptions have posed significant challenges to global trade and investment flows, adversely impacting key local sectors such as logistics, retail, and finance. Additionally, the potential for a global economic slowdown, combined with rising inflation and interest rates in major economies, could further dampen consumer confidence and business sentiment in Hong Kong over the long term. These factors highlight the need for resilience and adaptability in navigating an increasingly complex and uncertain economic landscape.

However, Hong Kong’s resilience and adaptability, bolstered by its robust financial infrastructure and strategic connections with Mainland China, are likely to provide a cushion for the local economy amid external challenges. Furthermore, the recent rebound in international travel and tourism has injected optimism into the market, contributing to improved business sentiment.

The Group remains cautiously optimistic about the growth potential of its staff insourcing service, particularly given the persistently low unemployment rate and tight labor market expected in the near future. To capitalize on this opportunity, the Group’s management will continue to enhance its talent acquisition and retention strategies, ensuring we are well-positioned to meet the growing service demands of our clients and further expand our market presence.

Over the past year, the rapid advancement and widespread adoption of artificial intelligence (AI), along with progress in local voice recognition technology, have led to the gradual integration of AI tools – such as AI chatbots, AI voicebots, virtual assistants, and predictive analytics – into call center operations. To seize these emerging opportunities, the Group has been collaborating closely with several local AI companies to incorporate AI capabilities into our contact center system solutions and services.

Looking ahead, the Group recognizes both the opportunities and challenges in the evolving landscape. We remain committed to capitalizing on these opportunities by swiftly adopting advanced technologies, investing in innovation, and reinforcing our position as a leading player in Hong Kong’s call center industry. Through these efforts, we aim to deliver enhanced value to our clients and maintain our competitive edge in a rapidly transforming market.

## DIVIDEND

The board of Directors does not recommend a final dividend for the year ended 31 December 2024 (2023: NIL).

## FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

### Description of the investments

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Unlisted equity securities in Hong Kong (FAFVTPL I)	–	–
Unlisted equity securities in Hong Kong (FAFVTPL II)	–	1,543
Total	<u>–</u>	<u>1,543</u>

### *FAFVTPL I*

During 2019, the Group acquired an aggregate amount of 2,470 Shares of an unlisted company incorporated in Hong Kong, Oneshop limited (“**Oneshop**”), at approximately HK\$2 million representing approximately 18% of the total issued share capital of Oneshop.

As at 31 December 2024, the Group held 2,470 Shares with fair value of nil.

### *FAFVTPL II*

The Group invested 165,385 shares (“**Subscription Shares**”), representing approximately 6.8% of the issued share capital of Hong Kong Virtual Asset Exchange Limited (“**VAX**”), at HK\$12.9 million in VAX. VAX is an unlisted company currently applying to the SFC for obtaining licenses to carry out Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities under the SFO for the regulation of virtual asset trading platforms in Hong Kong.

As at 31 December 2024, the Group no longer held any shares of VAX.

## FINANCIAL REVIEW

The Group recorded a profit attributable to owners of the Company amounted approximately HK\$17.5 million for the year ended 31 December 2024 as compared with the loss attributable to owners of the Company approximately HK\$7.9 million for the year ended 31 December 2023. The profit was mainly due to the gain on disposal of GCL and VAX and the reversal of expected credit loss.

The Group recorded the reversal of expected credit loss amounted approximately HK\$8.8 million for the year ended 31 December 2024 (2023: approximately HK\$3.8 million).

Fair value changes in the financial asset at fair value through profit or loss amounted approximately HK\$13.5 million gain for the year ended 31 December 2024 (2023: approximately HK\$0.3 million gain).

### Revenue

The Group recorded an increase in total revenue to approximately HK\$3.6 million from approximately HK\$77.1 million for the year ended 31 December 2023 to approximately HK\$80.7 million for the year ended 31 December 2024.

The following table sets forth the analysis of revenue in terms of business nature of our Group for the years ended 31 December 2024 and 2023 respectively:

	Year ended 31 December 2024		Year ended 31 December 2023	
	HK\$'000	%	HK\$'000 (restated)	%
Outsourcing inbound contact service	16,174	20%	14,479	18.8%
Staff insourcing service	52,638	65.2%	49,574	64.3%
Contact service centre facilities management service	5,204	6.5%	9,385	12.2%
Others	6,710	8.3%	3,694	4.7%
Revenue	<u>80,726</u>	<u>100%</u>	<u>77,132</u>	<u>100%</u>

### ***Outsourcing Inbound Contact Services***

The revenue of outsourcing inbound contact services increased from approximately HK\$14.5 million for the year ended 31 December 2023 to approximately HK\$16.2 million for the year ended 31 December 2024.

### ***Staff Insourcing Services***

The revenue of staff insourcing services segment increased from approximately HK\$49.6 million for the year ended 31 December 2023 to approximately HK\$52.6 million for the year ended 31 December 2024. The increase of the revenue is mainly due to increase of the demand of the staff insourcing services.

### ***Contact Service Centre and Service Centre Facilities Management Services***

The revenue of the contact service centre and service centre facilities management services decreased from approximately HK\$9.4 million for the year ended 31 December 2023 to approximately HK\$5.2 million for the year ended 31 December 2024. The decrease of the revenue is mainly due to decrease of the demand of the contact service centre and service centre facilities management services.

### ***Others***

For the year ended 31 December 2024, the Group recorded a revenue in licencing and sales of system and software of approximately HK\$4.5 million (2023: approximately HK\$1.5 million), system maintenance income of approximately HK\$2.2 million (2023: approximately HK\$2.2 million).

### **Segment Result and Gross Profit Margin**

The following table sets forth the analysis of segment result and gross profit margin by business units of our Group for the years ended 31 December 2024 and 2023 respectively:

	<b>Year ended 31 December 2024</b>		<b>Year ended 31 December 2023</b>	
	<b>HK\$'000</b>	<b>GP Margin %</b>	<b>HK\$'000</b>	<b>GP Margin %</b>
Outsourcing inbound contact service	<b>1,345</b>	<b>8.3%</b>	1,133	7.8%
Staff insourcing service	<b>5,019</b>	<b>9.5%</b>	4,437	9%
Contact service centre facilities management service	<b>1,134</b>	<b>21.8%</b>	2,427	25.9%
Others	<b>2,789</b>	<b>41.6%</b>	1,395	37.8%
Segment result	<b>10,287</b>	<b>12.7%</b>	9,392	12.2%

The gross profit percentage of our Group increased from approximately 12.2% for the year ended 31 December 2023 to approximately 12.7% for the year ended 31 December 2024. The overall increase in segment result and the gross profit margin is mainly due to increase of the gross profit of Others segment for the year ended 31 December 2024.

#### ***Outsourcing Inbound Contact Services***

The gross profit margin in Outsourcing Inbound Contact services increased from approximately 7.8% for the year ended 31 December 2023 to approximately 8.3% for the year ended 31 December 2024. The increase in the gross profit margin mainly due to increase in demand of Outsourcing Inbound Contact services and reversal of Expected credit loss.

#### ***Staff Insourcing Services***

The gross profit margin in staff insourcing services was similar in 2023 and 2024, only increased from approximately 9% for the year ended 31 December 2023 to approximately 9.5% for the year ended 31 December 2024.

#### ***Contact Service Centre Facilities Management Services***

The gross profit margin in contact service centre facilities management services decreased from approximately 25.9% for the year ended 31 December 2023 to approximately 21.8% for the year ended 31 December 2024. The decrease in the gross profit margin mainly due to decrease in demand of Contact Service Centre Facilities Management Services.

#### ***Others***

The “Others” segment principally comprises sale of system and software, licence service fee income and maintenance fee of WISE-xb Contact Centre System. The gross profit margin was increased mainly due to effective cost control of the expenditures.

#### **Other Gains/(losses) – Net**

The Group recorded net other gains amounted approximately HK\$13.5 million (2023: loss HK\$2.2 million). The other gains mainly comprise the financial effect of disposal of VAX.

#### **Expenses**

During the year under review, the employee benefits expenses increased from approximately HK\$65 million for the year ended 31 December 2023 to approximately HK\$78 million for the year ended 31 December 2024. The increases of employee benefit expenses are mainly due to more employees were employed.

The Group recorded other operating expenses amounted to approximately HK\$3.7 million (2023: approximately HK\$6.5 million). The other operating expenses mainly include auditors' remuneration, insourcing expenses, insurance, legal and professional expenses, rent and rates, repair and maintenance, subcontracting expenses, telephone expenses, travelling, entertainment, utilities expenses and the provision of expected credit loss. The other operating expenses to sales ratio decreased from approximately 8.4% for the year ended 31 December 2023 to approximately 4.5% for the year ended 31 December 2024. The reversal of expected credit loss of the financial assets increased from approximately HK\$3.8 million for the year ended 31 December 2023 to approximately HK\$8.8 million for the year ended 31 December 2024.

The Group's depreciation and amortization expenses increased from approximately HK\$2.1 million for the year ended 31 December 2023 to approximately HK\$3.3 million for the year ended 31 December 2024. The increase of depreciation and amortization expenses is mainly due to the increase of depreciation of property, plant and equipment and right-of-use asset.

### **Profit/(Loss) Attributable to Owners of the Company**

The Group's loss attributable to owners of the Company decreased from approximately HK\$7.9 million for the year ended 31 December 2023 to profit attributable to owners for approximately HK\$17.5 million for the year ended 31 December 2024. The profit attributable to owners of the Company was mainly attributable to the reversal of credit loss, financial effect of disposal of subsidiary and VAX.

### **FOREIGN EXCHANGE EXPOSURE**

Substantially all the revenue-generating operations of the Group were transacted in Hong Kong dollars during the year under review which is the functional currency of the Company and the presentation currency of the Group. The Group therefore does not have significant foreign exchange risk.

### **CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

The Group had no significant contingent liabilities as at 31 December 2024 (2023: Nil). As at 31 December 2024, there was no capital commitments outstanding but not provided for in the financial statements (2023: Nil).

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

During the year ended 31 December 2024, the Group disposed of the entire interest in Gear Credit Limited (an indirect wholly-owned subsidiary of the Company) via Future Data Limited (an indirect wholly-owned subsidiary of the Company) to a buyer at the consideration of HK\$11,000,000 (the “**Disposal**”). The Disposal constituted a discloseable transaction of the Company under the GEM Listing Rules and are subject to the reporting and announcement requirements, but are exempt from Shareholders’ approval requirement under the GEM Listing Rules. Details were announced in the Company’s announcement dated 20 December 2024.

Save for those disclosed in this announcement, there were no significant investments held as at 31 December 2024, nor were there material acquisitions and disposals of subsidiaries during the year. There is no plan for material investments or capital assets as at 31 December 2024.

## **PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

The Company did not redeem any of its listed securities, and neither did the Company nor any of its subsidiaries purchase or sell any of the listed securities of the Company for the year ended 31 December 2024.

## **REVIEW OF FINANCIAL STATEMENTS**

The audit committee of the Company comprising Mr. Wong Kam Tai (Chairman), Ms. Kwong Yuk Ying and Ms. Tsang Lee Mei, all are independent non-executive Directors, had reviewed the audited consolidated results of the Group for the year ended 31 December 2024.

## **SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group’s auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on this preliminary announcement.

## **CORPORATE GOVERNANCE**

For the year ended 31 December 2024, the Company has complied with all the code provisions as set out in the Corporate Governance Code (the “**Code**”) in Appendix C1 to the GEM Listing Rules.

The Company continues to enhance its corporate governance practices appropriate to the conduct and growth of its business, and to review and improve such practices from time to time to ensure that business activities and decision making processes are regulated in a proper and prudent manner in accordance with international best practices.

The Directors acknowledged their responsibility for preparing the annual financial statements for the year ended 31 December 2024 and each Director participated in the Company’s operation pursuant to their established terms of reference and contributed to the success of the Company.

## **CODE OF CONDUCT FOR DIRECTORS’ SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specified enquiry with the Directors, all Directors confirmed that they had complied with the required standard of dealings concerning securities transactions by the Directors throughout the year ended 31 December 2024.

## **APPRECIATION**

The Board would like to take this opportunity to express their thanks and gratitude to the Group’s management and staff who dedicated their endless efforts and devoted services, and to our shareholders, suppliers, clients and bankers for their continuous support.

By Order of the Board

**ETS Group Limited**

**Tang Yiu Sing**

*Executive Director and Chief Executive Officer*

Hong Kong, 24 March 2025

*As at the date of this announcement, the executive Director are Mr. Tang Yiu Sing; and the independent non-executive Directors are Mr. Wong Kam Tai, Ms. Kwong Yuk Ying and Ms. Tsang Lee Mei.*

*This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its posting and on the Company’s website at [www.etsgroup.com.hk](http://www.etsgroup.com.hk).*